

MINUTES September 5, 2002

**Seattle City Employees' Retirement System
Regular Board Meeting**

**Thursday, September 5, 2002 - 9:30 a.m.
Seattle Metropolitan Credit Union
Conference Room – 3rd Floor**

Present: Jan Drago, Dwight Dively, Lou Walter, Mary Norris and Frank Mathews.

Absent: Norma McKinney and John Curtin.

Also Present: Ken Leask – ARSCE, Kirk Jones – ARSCE, Bill Farrell – ARSCE, Barbara Guptill – ARSCE, Roger Howeiler – ARSCE, Jim Coover – ARSCE, John Love – ARSCE/Transit, Mel Robertson and Norm Ruggles.

Public Comment: John Love informed the Board that Eddie Haw had a stroke but is recovering nicely.

Minutes:

Upon motion by Dwight Dively, seconded by Frank Mathews, the Retirement Board approved the minutes from the August 1, 2002 Retirement Board meeting.

Ratification of Retired Payroll, Office Payroll, other Billings and Withdrawals:

Information: The following items represent normal expenses and nothing extraordinary.

Service	\$ 4,704,089.57
Disability	54,014.30
Beneficiary	589,674.99

Pension Payroll – August 2002	\$ 5,347,778.86
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Office Payroll - pay period ending July 30, 2002	\$ 21,545.47
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Office Payroll - pay period ending August 13, 2002	\$ 21,638.96
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Vouchers Processed - from July 27, 2002 through August 26, 2002	\$ 582,175.43 *
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* \$ 534,508.95 Expert and Consultant Services

Upon motion by Dwight Dively, seconded by Mary Norris, the Board ratified the Retired Payroll, Office Payroll, other Billings and Withdrawals.

Immediate Withdrawal of Contributions

<u>Member</u>	<u>Department</u>	<u>Position</u>
Blank,Douglas D	Ethics & Elections	Strategic Advisor 1
Brae,Ravia N	Library	Library Tech I
Broussard,Pamela P	Light	Warehouser, Chief
Busch, Stacey L.	Seattle Center	Admin Spec I
Clark,Richard R	Seattle Center	Safety & Health Spec
Clark,Wallace R	Library	Librarian
Cox,Ronald Lee	TES	Structural Iron Worker
Davis,Edwin C	Parks	Grounds Equip Mech
Dickerson,Brenda F	Seattle Center	Usher
Earley,Dennis D	Light	Machinist Spec
Farr,Randy	Police	Warehouser, Sr

Gaedcke, Mary Lorraine	Police	Admin Spec I
Gillis, Angel Cyrene	DHHS	Social Service Aid
Hammon, James P	Muni Ct	Admin Spec II
Hite, Myla D	Police	Strategic Advisor
Jackson, Reina Racquel	Executive Services	Planning & Dev Spec II
Kaplow, Marlene	Parks	Cashier
Kim, Nami	Police	Victim Advocate
Kinnaman, Bruce L.	Legislative	Planning & Dev. Spec II
Lyons, Corrine Kaye	Light	Camp Service Aide
Mowatt, Magnus G	Engineering	Asst Engineer III
Olegario, Dorcas G	Police	Admin Spec 11
Ortiz, Juan	Parks	Utility Laborer
Phillips, Debra L	Seattle Center	Admin Personnel Supervisor
Reilly, Susan M	Police	Accounting Tech II
Shamsid Deen, Pamela	Light	Accounting Tech I
Simmons, Molly E	Library	Page
Tammam, Jacqueline E	SEATRAN	Admin Spec II
Thompson, Doreen Joan	Parks	Cashier
Tyers, John	Seattle Center	Public Relation Spec, Sr

Ratification of Service Retirements:

Information: The following list represents the retirements that have been processed since the last Retirement Board meeting.

<u>Member</u>	<u>Retired</u>	<u>Years</u>	<u>Days</u>	<u>Department</u>	<u>Position</u>	<u>Age</u>	<u>Option</u>
Bates, Ronald	07/06/2002	37	7	City Light	Executive II	62	D
Bjorkman, Earl	08/02/2002	35	287	City Light	Material Supplier Elec.	56	C5
Braddock, Mary E	07/06/2002	11	259	Fleets	Executive Assistant	52	E
Carlson, Robert C	08/10/2002	17	170	SPU	Painter	61	E
Clemmens, Mark H	08/03/2002	30	204	SEATRAN	Strategic Advisor II	58	E,F
Hawley, Leslie F.	07/06/2002	34	139	SEATRAN	Truck Driver	66	S,G-100
Jackson, Albert E	07/09/2002	32	215	City Light	Senior Warehouser	55	E,G-50
Kennedy, Robert L	08/03/2002	8	165	City Light	Lineworker	62	S
Kunnap, Betty L	08/02/2002	10	35	ESD	Vested	62	S
Melrose, Donald	07/06/2002	30	206	City Light	Elec Constr & Maint Sup	51	S,G-100
O'Kinsella, Shaun M.	07/24/2002	7	162	Muni Courts	Marshall	65	C5,G-100
Peterson, David W	07/11/2002	20	16	City Light	Acctg Support Assistant	44	I
Richardson, Gayle	07/04/2002	30	142	Library	Librarian	54	B
Rooney, Bruce	06/29/2002	15	11	Dual Member	Vested	59	D
Sharar, David M	07/01/2002	4	113	Dual Member	Vested	55	D
Van Noy, Carolyn M	07/03/2002	10	16	Ethics	Manager 3	59	S
Watier, Frank	07/30/2002	15	275	DCLU	Mech. Inspector	65	E

Upon motion by Dwight Dively, seconded by Jan Drago, the Retirement Board approved the service retirements listed above, pending final review.

Ratification of Investment Transactions and Statement of Securities and Cash:

Upon motion by Dwight Dively, seconded by Frank Mathews, the Retirement Board approved the Investment Summary report.

Investment Committee Report:

It was announced that the Investment Committee meeting scheduled for Thursday, September 26, 2002 has been cancelled.

Norm reviewed two graphs that showed how the financial markets have reacted during previous down markets, with one showing how long subsequent recovery periods were; and a graph showing how investors might miss

much of the recovery if they were not continuously in the market. Lou asked about the rebalancing process and Norm commented that each month a process is undertaken to review the current position and rebalance accordingly, striving to maintain our allocation as close to the target as practicable.

Executive Director Report:

The following summarizes the Executive Director's monthly report to the Board:

Norm distributed copies of the final version of the Board Education and Training Policy approved by the Board, including the changes requested by the Board. Chair Drago has signed the Policy.

Norm told the Board that the City's Separation Incentive Program (SIP) was keeping the Retirement Office extremely busy, and over 300 retirement estimates recently have been prepared in anticipation of SIP retirements by September 30, 2002. The Office normally processes 200 to 220 retirements in an entire year.

Norm gave an update on the application to the IRS for a determination letter for the Retirement Plan. Outside tax attorney Paul McDonald is handling the application. The IRS may want us to make two or three technical amendments to the Plan. Mr. McDonald is in contact with the IRS to ascertain what may be needed.

The transfer of management and operation of the Woodland Park Zoo from the City to the Zoo Society will affect approximately 155 current Zoo employees. Norm said the transition will address retirement benefits for employees who transfer from City to Zoo Society employment. Some of the employees will retire from or vest in the Retirement System. Others will have their own employee retirement contributions with interest transferred to a new retirement plan, along with a matching amount representing employer contributions. The Retirement System's actuary has provided an opinion stating that this transfer of funds will not adversely affect the Retirement Fund. Legislation concerning the benefits of the transferring employees is pending.

The Board reviewed a letter from Joseph T. Garcia requesting an opportunity to purchase 5.6 years of exempt time at a lower cost than the actuarial cost required in the Municipal Code. After discussing the letter and request, the Board found that since Mr. Garcia had a break from employment with the City in 1995, when he was later reemployed by the City his reemployment was governed by the rules in effect at the time of his return, as amended after his return. Therefore, the Board found his only opportunity to purchase exempt time is by paying the actuarial cost, as set forth in Municipal Code section 4.36.100 F. The Board denied Mr. Garcia's request to purchase service credit for exempt time at any other rate or cost.

The City Auditor has done an audit of City Department consultant contracts. No problems were found with the Retirement System's consultant contracts. Norm said the Retirement System is following City contract policies and procedures.

Old Business:

(1) Status of Benefit Enhancements

Jan informed the Board that the estimated current funding level of the Retirement Fund is 76.21% as of July 31, 2002.

New Business:

(1) Disability Retirement Application for Brett Mayberry.

Information: The Disability Committee recommended the Board approve the disability retirement application.

Motion: Upon motion by Lou Walter, seconded by Frank Mathews, the Retirement Board approved the disability retirement application for Brett Mayberry.

Adjournment

Upon motion by Jan Drago, seconded by Dwight Dively, the Retirement Board voted to adjourn the meeting at 10:22 a.m.

Norma McKinney, Secretary